Form 3160-3 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE*

FORM APPROVED OMB NO. 1040-0137

Expires: July 31, 2010

DEPARTMENT OF THE I	NTERIOR		5. Lease Serial No.	
BUREAU OF LAND MANAG	EMENT		UTU-7	77301
			6. If Indian, Allotee or Tril	be Name
APPLICATION FOR PERM	N	/A		
1a. TYPE OF WORK			7. IF Unit or CA Agreeme	nt, Name and No.
☑ DRILL	. 🗆	REENTER	BIG VALI	LEY UNIT
1b. TYPE OF WELL		_	8. Lease Name and Well	No.
□ ☑ □ SINGLE	□ MULTIPLE	:		
OIL WELL GAS WELL OTHER ZONE	ZONE		NBZ 11D)-30-8-24
2. Name of Operator	Contact: Jan Nel	son	9.API Well No.	2 1/7 2
QUESTAR EXPLORATION & PRODUCTION CO.	E-Mail:	jan.nelson@questar.com	43-04	7-40472
3a. Address	3b. Phone No. (i	include area code)	10. Field and Pool, or Exp	loratory
11002 East 17500 South Vernal, Ut 84078	Phone 435-7	81-4331 Fax 435-781-4329	UNDESIG	GNATED
4. Location of Well (Report location clearly and in ac	cordance with an	d State requirements*)	11. Sec., T.R.M. or Blk. An	d Survey or Area
At Surface 2180' FSL 1920' FWL,	NESW, Section	on 30, T8S, R24E	SEC. 30, T8S,	R24E SLB&M
At proposed production zone			·	
14. Distance in miles and direction from nearest town	orr post office*		12. County or Parish	13. State
35 + / - SOUTH OF VERNAL, UTAH			Uintah	UT
15. Distance from proposed* location to nearest property or lease line, ft. (also to nearest drig,uni	t line if anyl	16. No. of acres in lease	17. Spacing Unit dedicate	ed to this well
property of lease fille, it. (also to floatest allgum	t inic ii diiy,	1505.46	4	0
1920' +/-		1555.15		•
18. Distance from proposed location to nearest well,	drilling,	19. Pprposed Depth	20. BLM/BIA Bond No. on	file
completed, applied for, on this lease, ft		13,617'	ESB000024	
2,450' +/-		13,617		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	-	22. Approx. date work will start*	23. Estimated duration	
5077.4' GR		ASAP	35 days	
24. Attachments				
The fell of the second for the secon		- Oll and Car Order No. 4, abolt be	attack ad to this forms	
The following,completed in accordance with the require	ments of Unshore	e Oil and Gas Order No. 1, shall be	attached to this form:	
Well plat certified by a registered surveyor. A Drilling Plan		Bond to cover the operations unless (See Item 20 above).	covered by an exisiting bond on	file
3. A surface Use Plan (if location is on National Forest System	Lands.	5. Operator certification.		
the SUPO shall be filed with the appropriate Forest Service C	•	•		hu tha Di M
	····	Such other site specific information a	and/or plans as may be required	by the BLIVI
V no Ulika				
Signature	Name (printed/ty	ped) Jan Nelson	DATE	12/29/2008
TITLE Regulatory Affairs	y a mortenita region transitiva di	on which is submitted to suff.		
VI CO TITO				.
\$ (X)(*\/\ X)	2	DLEY G. HILL		is zame
APPROVED BY	TITLE ENVIRO	NMENTAL MANAGER	_ DATE	17-30-08
Application approval does not warrant or certif	v the applicant	· ·	tle to those rights in the	subject

lease which would entitle the applicant to conduct operations thereon

Conditions of approval, if any, are attached.

Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, RECEIVED

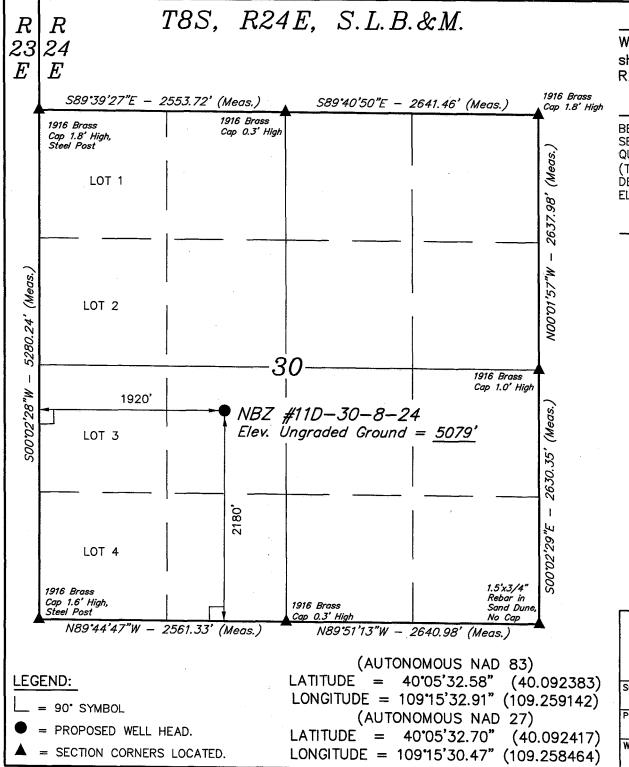
fictitious or fraudulent statements or representations as to any mater within its jurisdiction.

648468X 49.092369 - 109.258424

Federal Approval of this Action is Necessary

DEC 3 0 2008

DIV. OF OIL, GAS & MINING ONFIDENTIAL



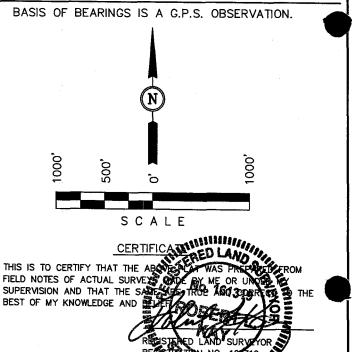
QUESTAR EXPLR. & PROD.

Well location, NBZ #11D-30-8-24, located as shown in the NE 1/4 SW 1/4 of Section 30, T8S, R24E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 45EAM LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 34, T8S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

BASIS OF BEARINGS



UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: DATE DRAWN: 07-09-07 07-12-	07
D.A. S.V. T.A. L.K.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

Questar Exploration & Production Company proposes to drill a well to 13,617' to test the Dakota. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements"

Please see Questar Exploration & Prodcution Company Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields on Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Please see Onshore Order No. 1.

Please be advised that Questar Exploration & Production Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is Questar Exploration & Production company via surety as consent as provided for the 43 CFR 3104.2.

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	Depth_
Uinta	Surface
Green River	1,637'
Wasatch	4,447'
Mesaverde	6,077'
Sego	8,247'
Castlegate	8,407'
Mancos Shale	9,067'
Dakota	13,067'
TD	13,617'

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Wasatch	4,447'
Gas	Mesaverde	6,077
Gas	Mancos Shale	9,067
Gas	Dakota	13,067

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before1989 is not

DRILLING PROGRAM

depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment:

- A. A 10,000 psi double gate, 10,000 psi single gate, 10,000 psi annular BOP (schematic included) from surface casing point to total depth.
- B. Functional test daily.
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 10M system and individual components shall be operable as designed.

4. <u>Casing Design:</u>

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Mud Weight	Wt. lb/ft	Grade	Thread	Cond.
26"	20"	surf	60-80'	N/A	Steel	Cond.	None	Used
12-1/4"	9-5/8"	surf	2,200'	N/A	36.0	J-55	STC	New
8-3/4"	7"	Surface	9,100'	11.5	26.0	HCP-110	LTC	New
6-1/8"	4-1/2"	surf	13,617'	13.5	15.1	P-110	LTC	New

Casing	Strengths:			Collapse	Burst	Tensile (minimum)
9-5/8"	36 lb.	J-55	STC	2,020 psi	3,520 psi	394,000 lb.
7"	26 lb.	HCP-110	LTC	7,800 psi	9,950 psi	693,000 lb.
4-1/2"	15.1 lb.	P-110	LTC	14,350 psi	14,420 psi	406,000 lb.

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MINIMUM DESIGN FACTORS:

COLLAPSE: 1.125 **BURST:** 1.10 TENSION: 1.80

Area Fracture Gradient:

0.9 psi/foot

Maximum anticipated mud weight:

13.5 ppg

Maximum surface treating pressure: 8,500 psi Over pull margin (minimum):

100,000 lbs

Pressure while bumping plug:

8,000 lbs

5. Cementing Program

20" Conductor:

Cement to surface with construction cement.

9-5/8" Surface Casing: surf – 2,200' (MD)

Lead/Tail Slurry: 0' - 2,200'. 765 sks (1375 cu ft) Vericem cement + 0.25 lb/sk Kwik Seal (lost circulation additive) + 0.125 lb/sk Poly-E-Flake (lost circulation additive). Slurry wt: 13.5 ppg, Slurry yield: 1.80 ft³/sk, Slurry volume: 12-1/4" hole + 100% excess.

7" Intermediate Casing: surf - 9,100' (MD)

Lead Slurry: 0' - 4,400'. 205 sks (790 cu ft) Halliburton Hi-Fill cement. Slurry wt: 11.0 ppg, Slurry yield: 3.84 ft³/sk, Slurry volume: 12-1/4" hole + 25% excess in open hole. **Tail Slurry:** 4,400' - 9,100'. 715 sks (885 cu ft) 50/50 Poz Premium cement + 0.6% Halad-322 (low fluid loss control) + 2.0% Microbond (expander) + 5.0% salt (accelerator) + 0.125 lb/sk Poly-E-Flake (lost circulation additive). Slurry wt: 14.35 ppg, Slurry yield: 1.24 ft³/sk, Slurry volume: 12-1/4" hole + 25% excess.

4-1/2" Production Casing: surf - 13,617' (MD)

Lead/Tail Slurry: 4,400' - 13,617'. 635 sks (985 cu ft) 50/50 Poz Premium cement + 20% SSA-1 (additive material) + 3 lb/sk silicalite compacted (additive material) + 0.5% Halad-344 (low fluid loss control) + 0.2% Halad-413 (low fluid loss control) + 0.2% HR-12 (retarder) + 0.2% Super CBL (expander) + 0.2% Suspend HT (suspension agent). Slurry wt: 14 ppg, Slurry yield: 1.55 ft³/sk, Slurry volume: 6-1/8" hole + 15% in open hole section.

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface on the intermediate strings and 4,400' on the production string. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

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6. Auxiliary Equipment

- A. Kelly Cock yes
- B. Float at the bit yes
- C. Monitoring equipment on the mud system visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor yes
- E. Rotating Head yes
- F. Request for Variance

Drilling surface hole with air:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 2,200 feet and high pressures are not expected.

- 1. **Properly lubricated and maintained rotating head** A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
- 2. Blooie line discharge 100 feet from wellbore and securely anchored the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
- 3. Automatic igniter or continuous pilot light on blooie line a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
- 4. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
- 5. **Kill Fluid to control well** In lieu of having mud products on location to kill the well for an unanticipated kick, Questar will kill the well with water contained in a 400 bbl tank on site. The 400 bbl water tank will also be storage for surface casing cement water.

DRILLING PROGRAM

- 6. **Deflector on the end of the blooie line** Questar will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.
- 7. Flare Pit there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.
- G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Intermediate and production holes will be drilled with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. Maximum anticipated mud weight is 13.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

7. Testing, logging and coring program

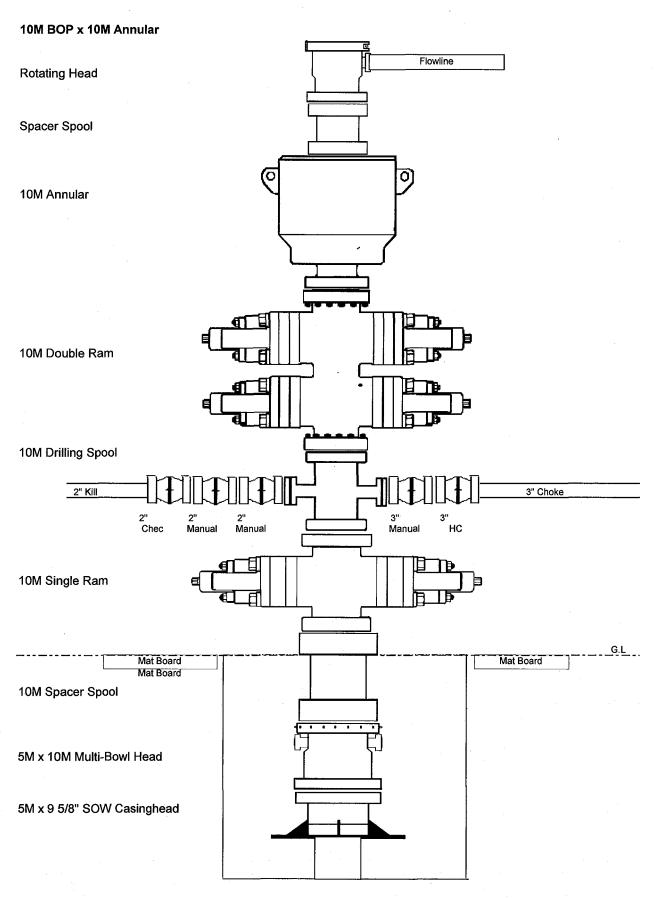
- A. Cores none anticipated
- B. DST none anticipated
- C. Logging Mud logging 3,000' to TD GR-SP-Induction, Neutron Density, FMI
- D. Formation and Completion Interval: Dakota, Mancos, Mesaverde, Wasatch intervals, final determination of completion will be made by analysis of logs.
 Stimulation Stimulation will be designed for the particular area of interest as encountered.

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8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

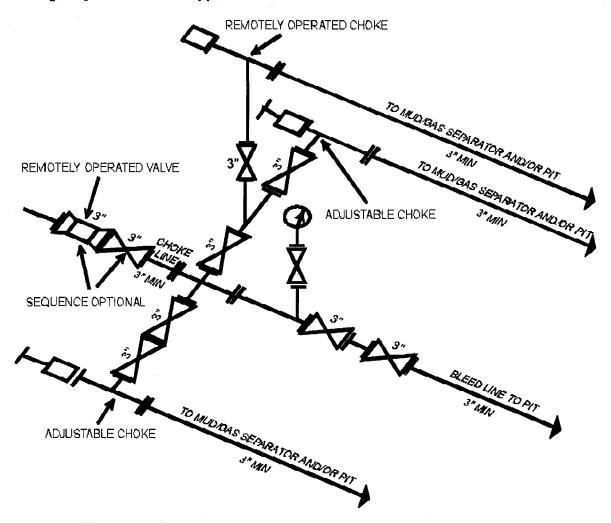
No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 9,560 psi. Maximum anticipated bottom hole temperature is 260° F.

DRILLING PROGRAM



DRILLING PROGRAM

Attachment I. Diagrams of Choke Manifold Equipment



I-4 10M and 15M Choke Manifold Equipment -- Configuration of chokes may vary

[54 FR 39528, Sept. 27, 1989]

Last Updated March 25, 1997 by John Broderick

QUESTAR EXPLORATION & PRODUCTION CO. NBZ 11D-30-8-24 2180' FSL 1920' FWL NESW, SECTION 30, T8S, R24E UINTAH COUNTY, UTAH LEASE # UTU-77301

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the NBZ 11D-30-8-24 on August 28, 2007. Weather conditions were hot and sunny at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buhler

Bureau of Land Management

Dixie Sadier

Bureau of Land Management

Monty Phillippi

Questar Exploration & Production, Co.

Raymond Pallesen

 $\label{eq:Questar} \textbf{Questar Exploration \& Production, Co.}$

Jan Nelson

Questar Exploration & Production, Co.

1. Existing Roads:

The proposed well site is approximately 35 miles south of Vernal, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

There will be no improvements made to existing roads.

2. Planned Access Roads:

Please see Questar Exploration & Production company Standard Operating Practices dated October 18, 2005, for Mesa Verde formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 & 09 South, Ranges 21 to 25 East.

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

Location of Existing & Proposed Facilities:

Please see Questar Exploration & Production company Standard Operating Practices dated October 18, 2005, for Mesa Verde formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 & 09 South, Ranges 21 to 25 East.

Refer to Topo Map D for the location of the proposed pipeline.

Pipeline will be 6" or smaller.

5. <u>Location and Type of Water Supply:</u>

Please see Questar Exploration & Production company Standard Operating Practices dated October 18, 2005, for Mesa Verde formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 & 09 South, Ranges 21 to 25 East.

6. Source of Construction Materials:

Please see Questar Exploration & Production company Standard Operating Practices dated October 18, 2005, for Mesa Verde formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 & 09 South, Ranges 21 to 25 East.

7. Methods of Handling Waste Materials:

Please see Questar Exploration & Production company Standard Operating Practices dated October 18, 2005, for Mesa Verde formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 & 09 South, Ranges 21 to 25 East.

An enhanced evaporation system will be used for evaporating fluids from reserve pit after drilling and completion are completed for this well. The system will be monitored regularly to ensure that operation is being done in a safe and environmentally protective manner. The system will be controlled during daylight hours by our lease operators and the pump will only be operated when wind direction and velocity are favorable to eliminate over - spray on vegetation. The evaporation system is structured on a fifth wheel portable trailer that runs on diesel fuel only.

8. Ancillary Facilities:

Please see Questar Exploration & Production company Standard Operating Practices dated October 18, 2005, for Mesa Verde formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 & 09 South, Ranges 21 to 25 East.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required. A felt liner is required if bedrock is encountered.

10. Plans for Reclamation of the Surface:

Please see Questar Exploration & Production company Standard Operating Practices dated October 18, 2005, for Mesa Verde formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 & 09 South, Ranges 21 to 25 East.

Interim Reclamation

Please see attached Interim Reclamation plan.

Once the well is put onto production, Questar Exploration & Production Company will reclaim as much of the well pad as possible that will allow for operations to continue in a safe and reasonable manner. Reseeding will be done in the spring and fall of each year to allow winter precipitation to aid in the success of reclaimation.

Seed Mix:

Interim Reclamation: 9 lbs. Hycrest Crested Wheat 3 lbs. Forage Kochia

Final Reclamation:

Seed Mix # 5 4 lbs. Gardner Saltbush, 4 lbs. Shadscale, 4 lbs. Hycrest Crested Wheat

11. Surface Ownership:

The well pad and access road are located on lands owned by:

Bureau of Land Management 170 South 500 East Vernal, Utah 84078

12. Other Information

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

A Class III paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted directly to the appropriate agencies by Stephen D. Sandau. The inspection resulted in the location of macro & micro vertebrate fossils. Therefore, a Paleo monitor will be present during construction.

No Drilling or construction will take place during the Pronghorn season May 15 thru June 20.

Construct erosion control structure 50 yards East of Stake # 6.

Round coner # 7 as much as possilbe. Keep out of drainage.

After reserve pit has been reclaimed, ditch behind for erosion control.

Rock and Gravel, Culverts as needed.

QUESTAR EXPLORATION & PRODUCTION, CO. Request for Exception to Buried Pipeline For NBZ 11D-30-8-24

QEP respectfully requests an exception to burying this pipeline. We understand the standard Condition of Approval (COA) that may be included in the approved Application for Permit to Drill (APD) is: "As a Best Management Practice (BMP), the pipeline would be buried within the identified construction width of an access corridor that contains the access road and pipelines. The construction width for the access corridor would increase from 30 feet, by an additional 20 feet, to a total of 50 feet. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation." QEP will install the pipeline within the access corridor and will avoid cross-country installation when possible. Our reason for requesting a surface line is based on the following justification:

Class IV VRM

- This area's designated Visual Resource Management is classified as Class IV. The Class IV objective is to provide for management activities that require major modification to the existing character of the landscape. The level of change to the landscape can be high. The management activities may dominate the view and may be the major focus of the viewer attention. However, every attempt should be made to minimize the impact of these activities through careful location, minimal disturbance, and repetition of the basic visual elements of form, line, color, and texture.
- QEP feels that surface pipe will comply with this classification more so than buried pipe due to the amount of surface disturbance that will be required to bury it. We believe surface installation within the access corridor will minimize the disturbance so that the pipeline does not dominate the view.

Environmental and Safety Concerns

- Buried pipe will greatly increase surface disturbance and habitat fragmentation.
 The soil in this area has a poor history of successful rehabilitation. Buried pipe
 will have an increased corrosion rate and would need to be dug up for repairs or
 replacement; the constant surface disturbance will not allow time for successful
 reclamation.
- Increasing surface disturbance will greatly increase noxious and invasive weed infestation.

- With the increased corrosion rate, buried pipe may have undetectable leaks that could go unnoticed for months. Small leaks may turn into large plumes of underground hazards because they are not easily monitored and not seen right away. An undetected leak also increases the potential for explosive incidents. Once detected, the surface will need to be disturbed, once again, to dig up the line and replace or repair it.
- Accidents associated with pipe breaks during construction activities could increase substantially as the number of buried lines increases.
- The additional surface disturbance will increase the risk of disturbing paleontological sites.

Operational and Mechanical Concerns for Gas Lines

- Cathodic protection will be required for buried pipe. Cathodic protection requires anode beds that must be maintained. This will add substantial costs in labor and material. Additional power lines will need to be installed to the anode beds. The additional costs for equipment and labor will be approximately \$50,000.00 per section.
- Pipeline markers need to be used with buried pipe. This will add costs in labor and material.
- Every tie in requires a valve. The average distance between valves is approximately ¼ mile. Valves will have to be placed in "freeze boxes" or "valve boxes". Valve boxes will be considered confined space which increases the manpower needed to repair or replace valves. Every valve box will also require bright yellow guard rails.
- Additional equipment required for buried pipe can include blades/dozers, trenchers (cutting or blasting in hard rock), side booms, etc. which increases installation costs.
- Buried pipe must have fusion bonded epoxy (FBE) coating. FBE pipe will cost an additional \$2.00 per foot compared to bare pipe.
- This pipeline has the potential for being upgraded/upsized to a larger pipe diameter depending on production volumes. If upsizing is required, the pipe will need to be dug up which will cause additional surface disturbance and will not allow adequate time for successful reclamation.
- Surface lines are sometimes relocated to accommodate new locations; this is done in an effort to minimize the amount of pipe needed and the amount of surface disturbed. If this pipe is buried, this will no longer be an option.

Lessee's or Operator's Representative:

Jan Nelson Red Wash Rep. Questar Expl. & Prod. Co. 1571 E. 1700 S. Vernal, Utah 84078 (435) 781-4032

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Questar Exploration & Production Company will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Questar Exploration & Production Company, it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filling of a false statement.

Jan Nelson

Red Wash Representative

12/29/2008

Date

QUESTAR EXPLR. & PROD.

NBZ #11D-30-8-24 LOCATED IN UINTAH COUNTY, UTAH **SECTION 30, T8S, R24E, S.L.B.&M.**

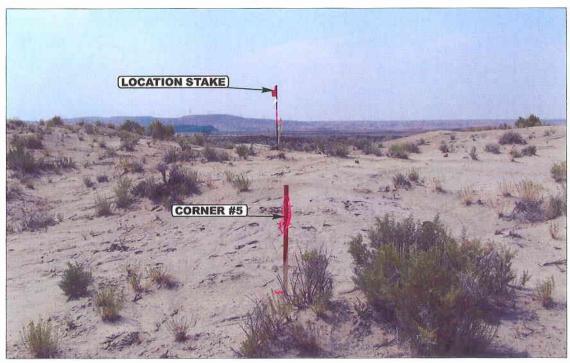


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

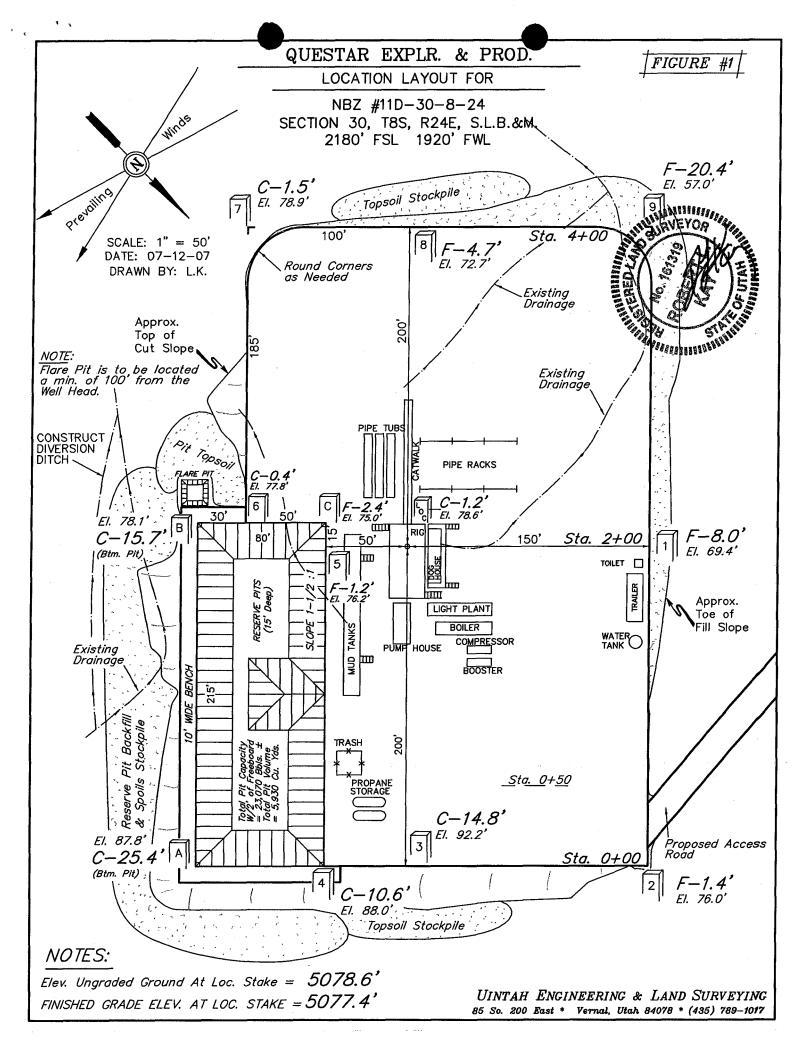


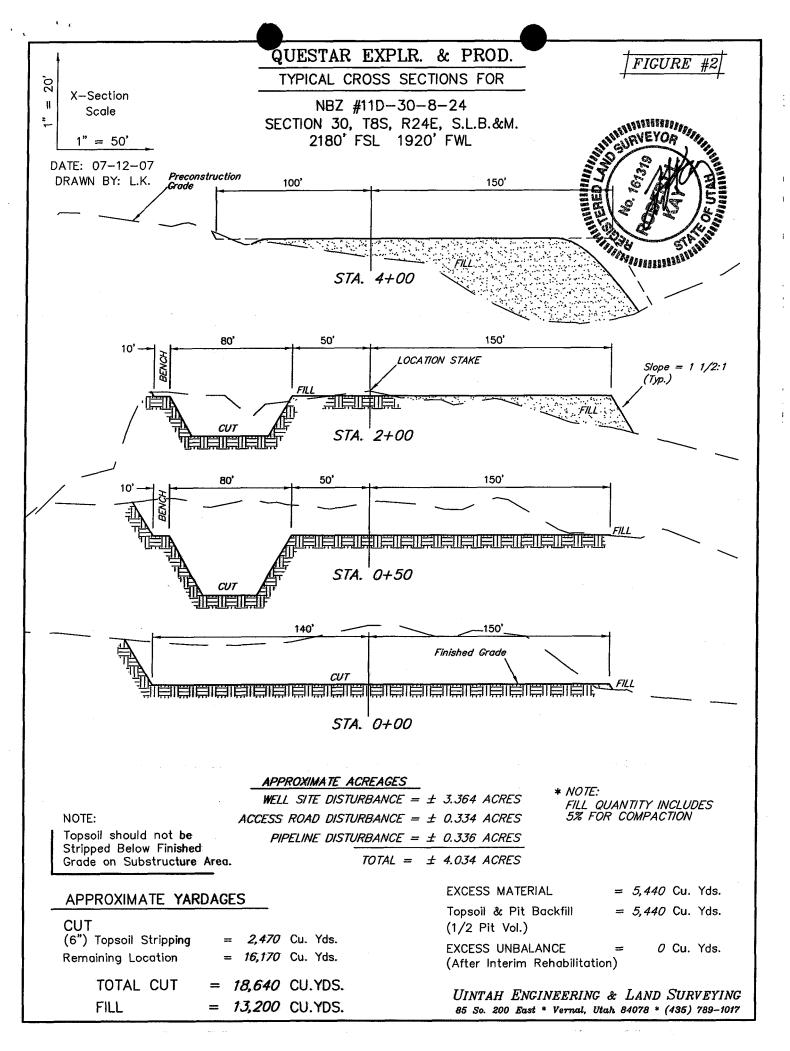
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

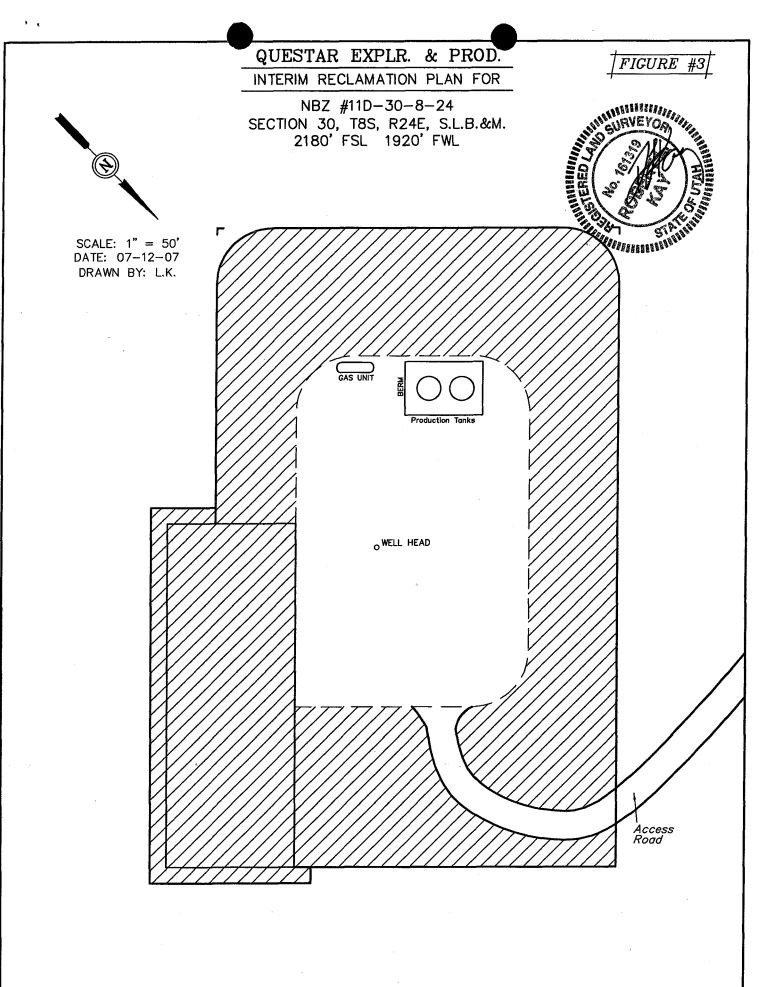
CAMERA ANGLE: EASTERLY

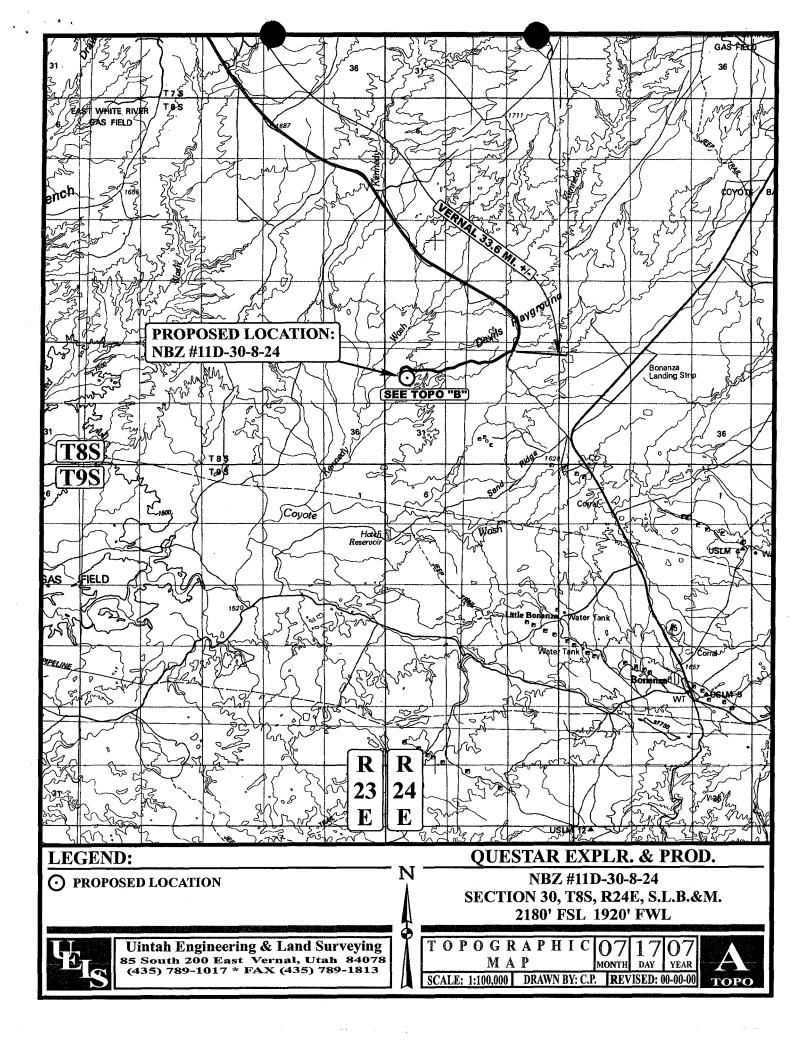


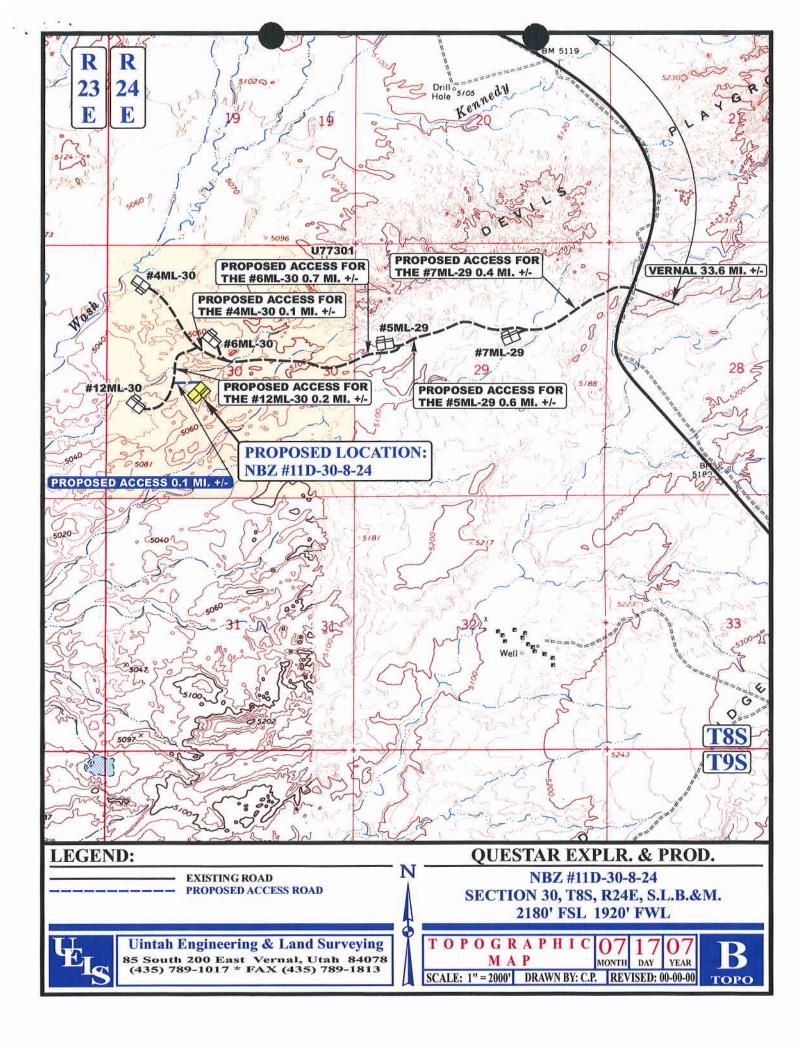
LOCATION PHOTOS		07 MONTH	17 DAY	07 YEAR	рното
TAKEN BY: D.A.	DRAWN BY: C.I	P. REV	ISED: (00-00-00	

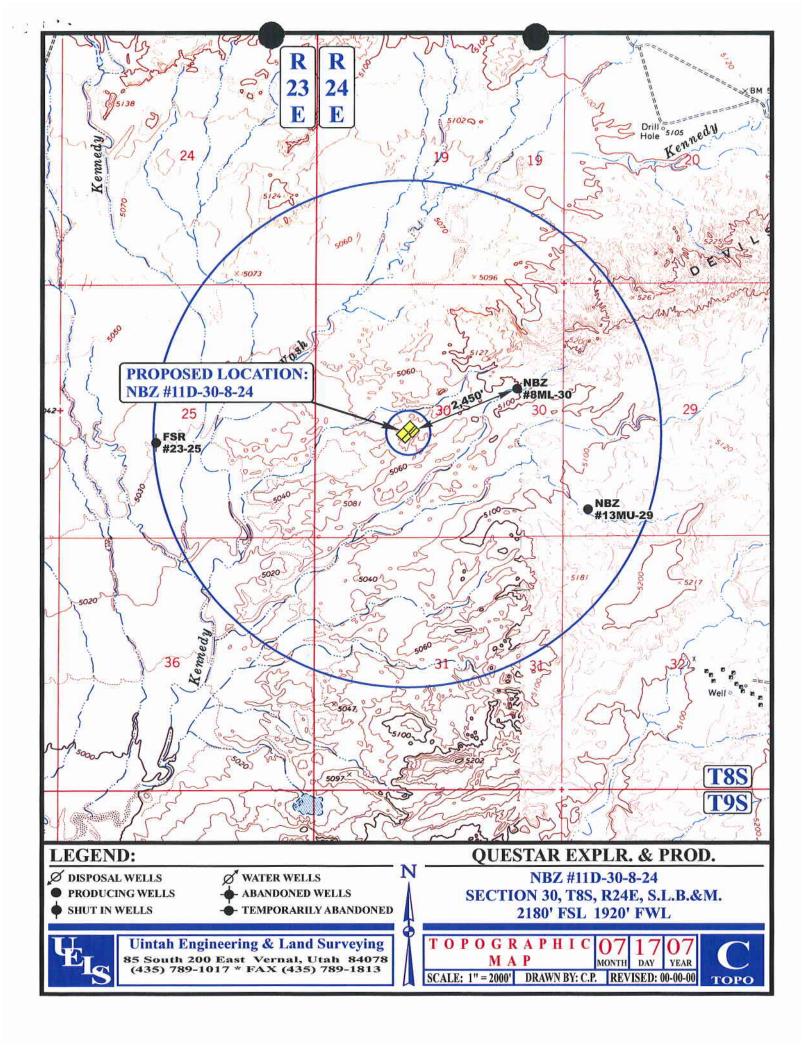


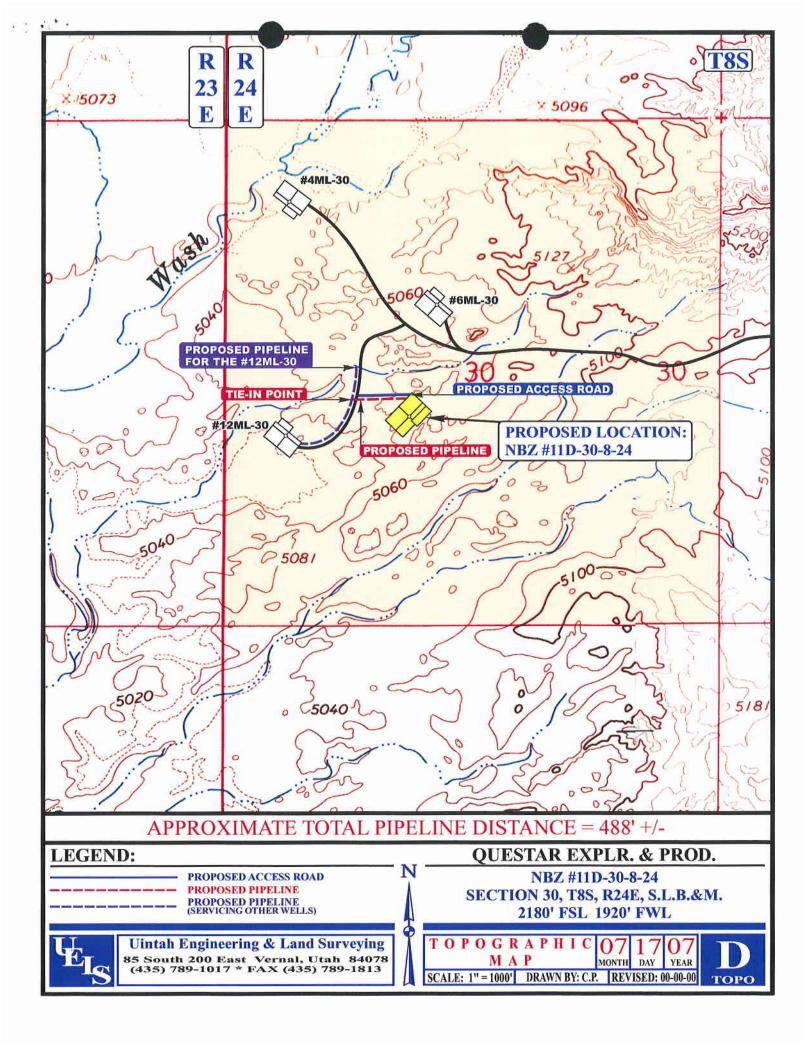


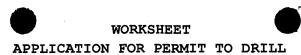




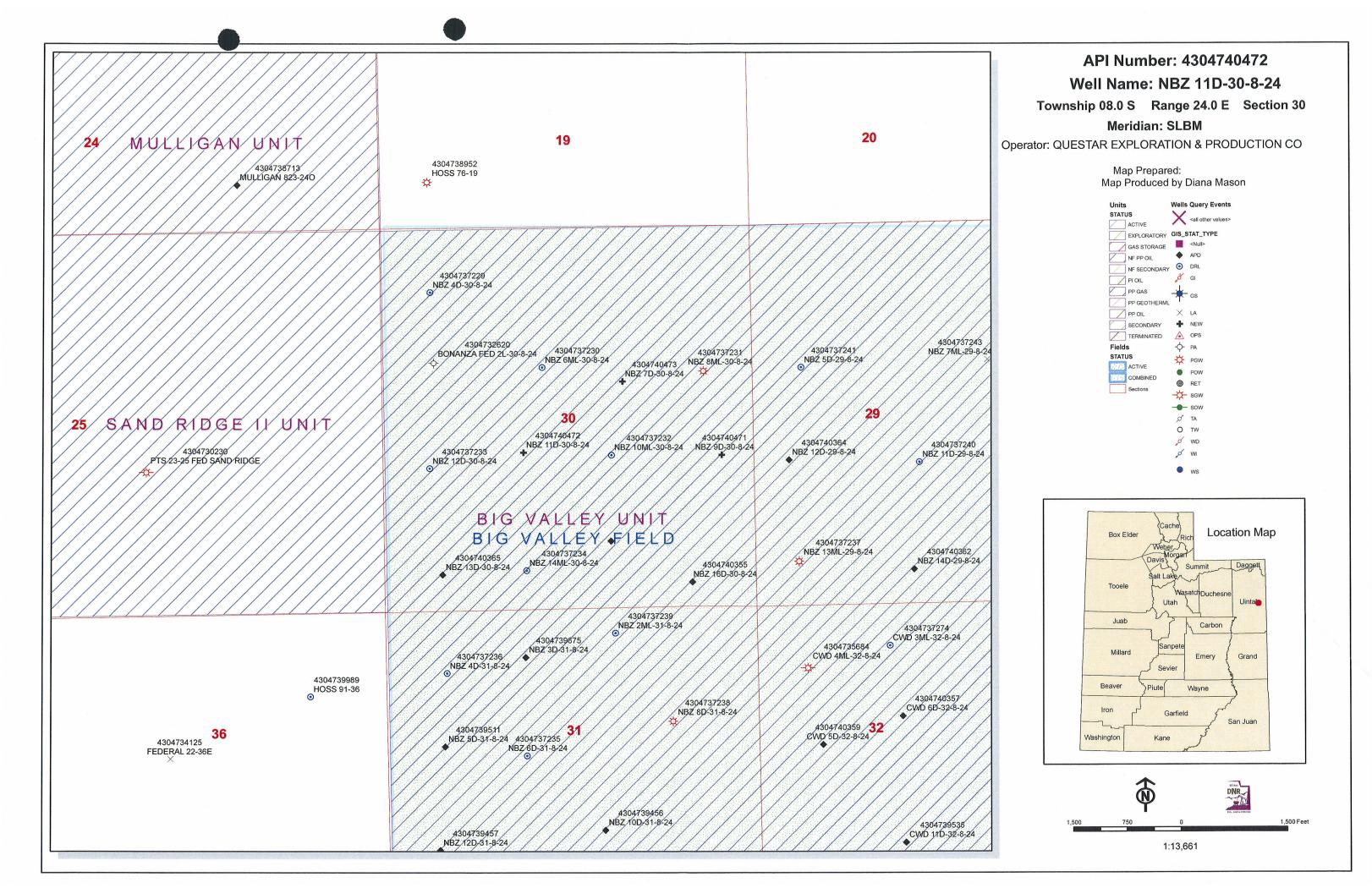








APD RECEIVED: 12/30/2008	API NO. ASS	IGNED: 43-047	-40472
WELL NAME: NBZ 11D-30-8-24			
OPERATOR: QUESTAR EXPLORATION & (N5085)	PHONE NUMBER:	435-781-4331	L
CONTACT: JAN NELSON			
PROPOSED LOCATION:	INSPECT LOCAT	TN BY: /	/
NESW 30 080S 240E SURFACE: 2180 FSL 1920 FWL	Tech Review	Initials	Date
BOTTOM: 2180 FSL 1920 FWL	Engineering		
COUNTY: UINTAH	Geology		
LATITUDE: 40.09237 LONGITUDE: -109.2584 UTM SURF EASTINGS: 648468 NORTHINGS: 44392	Surface		
FIELD NAME: BIG VALLEY (791			
LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-77301 SURFACE OWNER: 1 - Federal	PROPOSED FORM COALBED METHA		A
RECEIVED AND/OR REVIEWED:	LOCATION AND SITING	:	
/ Plat	R649-2-3.		
Bond: Fed[1] Ind[] Sta[] Fee[]	Unit: BIG VALLEY ★	NON PA	
(No. ESB000024)	R649-3-2. Gene		
Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13	Siting: 460 From		etween Wells
Water Permit	R649-3-3. Exce		
(No. 49-2153)			
N RDCC Review (Y/N)	Drilling Unit		
(Date:)	Board Cause No Eff Date:): 	
<u>μ4</u> Fee Surf Agreement (Y/N)	Siting:		
<u> LUA </u> Intent to Commingle (Y/N)	R649-3-11. Di	rectional Dril	.1
- II			
COMMENTS:			
	-		
	AV STANK		
STIPULATIONS:	aprove	· · · · · · · · · · · · · · · · · · ·	
2. Spain	1 Stip	<u></u>	
			·





State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

December 30, 2008

Questar Exploration & Production Co. 11002 E 17500 S Vernal, UT 84078

Re:

NBZ 11D-30-8-24 Well, 2180' FSL, 1920' FWL, NE SW, Sec. 30, T. 8 South, R. 24 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40472.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Questar Exploration & Production Co.			
Well Name & Number	NBZ 11D-30-8-24			
API Number:	43-047-40472 UTU-77301	· · · · · · · · · · · · · · · · · · ·		
Location: NE SW	Sec 30_	T. 8 South	R. 24 East	

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

	STATE OF UTAH DEPARTMENT OF NATURAL RESOURC	ES	FORM 9
	DIVISION OF OIL, GAS, AND MIN	NING	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-77301
SUND	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
Do not use this form for propo bottom-hole depth, reenter plu DRILL form for such proposals	sals to drill new wells, significantly deepen ugged wells, or to drill horizontal laterals. U	existing wells below current Jse APPLICATION FOR PERMIT TO	7.UNIT or CA AGREEMENT NAME: BIG VALLEY
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBZ 11D-30-8-24		
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PR	ODUCTION CO		9. API NUMBER: 43047404720000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ve	rnal, UT, 84078 435 781-	PHONE NUMBER: 4362 Ext	9. FIELD and POOL or WILDCAT: BIG VALLEY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 1920 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NESW Section: 30	IP, RANGE, MERIDIAN: Township: 08.0S Range: 24.0E Meridian:	S	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPORT	, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	☐ ACIDIZE	ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start: 12/30/2010	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
12/30/2010	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION
	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
SPUD REPORT	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	L TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
DRILLING REPORT Report Date:	│	SI TA STATUS EXTENSION	✓ APD EXTENSION
	WILDCAT WELL DETERMINATION	OTHER	OTHER:
Questar Exploration	ompleted operations, clearly show all per on and Production Company he on for the APD on the above c	ereby requests one year	Approved by the Utah Division of Oil, Gas and Mining
		0	December 21, 2009
		E	By: Lowyll
NAME (PLEASE PRINT)	PHONE NUMBER		
Jan Nelson	435 781-4331	Permit Agent	
SIGNATURE N/A		DATE 12/21/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404720000

API: 43047404720000 **Well Name:** NBZ 11D-30-8-24

Location: 2180 FSL 1920 FWL QTR NESW SEC 30 TWNP 080S RNG 240E MER S

Company Permit Issued to: QUESTAR EXPLORATION & PRODUCTION CO

Date Original Permit Issued: 12/30/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

ire revision. Following is a checklist of some items related to the application, which should be verified.
 If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? 🗍 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No Utah Division of

Signature: Jan Nelson **Date:** 12/21/2009

Title: Permit Agent Representing: QUESTAR EXPLORATION & PRODUCTIO Page: December 21, 2009

Bv:

Oil, Gas and Mining

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

(for state use only)

ROUTING	
CDW	

Change of Operator (Well Sold)	Х-	Operator	· Name Chan	ge				
The operator of the well(s) listed below has chan	ged, e	effectiv	re:			6/14/2010		
FROM: (Old Operator): N5085-Questar Exploration and Production Compa 1050 17th St, Suite 500 Denver, CO 80265	ny				- '	te 500		
Phone: 1 (303) 308-3048	Phone: 1 (303) 308-3048							
CA No.	Unit:							
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								
OPERATOR CHANGES DOCUMENT. Enter date after each listed item is completed 1. (R649-8-10) Sundry or legal documentation was			rom the	FORMER on	erator on:	6/28/2010		
2. (R649-8-10) Sundry or legal documentation wa						6/28/2010	•	
3. The new company was checked on the Depart i							-	6/24/2010
4a. Is the new operator registered in the State of U				Business Numb		764611-0143		0/24/2010
5a. (R649-9-2)Waste Management Plan has been re	ceive	d on:		Requested			-	
5b. Inspections of LA PA state/fee well sites compl	lete or	n:		n/a				
5c. Reports current for Production/Disposition & S				ok				
6. Federal and Indian Lease Wells: The BL					e merger, na	me change,		
or operator change for all wells listed on Federa	al or I	ndian 1	leases o	n:	BLM	8/16/2010	BIA	not yet
7. Federal and Indian Units:								•
The BLM or BIA has approved the successor					ı:	8/16/2010	_	
8. Federal and Indian Communization Ag	reem	ents ("CA") :			-	
The BLM or BIA has approved the operator f						N/A	_	
9. Underground Injection Control ("UIC"							ity to	
Inject, for the enhanced/secondary recovery un	it/pro	ject for	r the wa	ter disposal we	ell(s) listed o	n:	6/29/2010	_
DATA ENTRY:								
1. Changes entered in the Oil and Gas Database				6/30/2010	_			
2. Changes have been entered on the Monthly Op	erato	or Cha	nge Sp	read Sheet on:	:	6/30/2010		
3. Bond information entered in RBDMS on:				6/30/2010	- .			
4. Fee/State wells attached to bond in RBDMS on				6/30/2010	_			
5. Injection Projects to new operator in RBDMS of		T A T	,	6/30/2010	- ,			
6. Receipt of Acceptance of Drilling Procedures for	or AP	D/New	v on:		n/a			
BOND VERIFICATION:								
1. Federal well(s) covered by Bond Number:				ESB000024	_			
2. Indian well(s) covered by Bond Number:	11	17-3-11:-4		965010693	- ,	065010605		
3a. (R649-3-1) The NEW operator of any state/fee					umber	965010695		
3b. The FORMER operator has requested a release			trom th	eir bond on:	n/a	-		
LEASE INTEREST OWNER NOTIFIC								
4. (R649-2-10) The NEW operator of the fee wells	nas b	een co	ntacted	and informed l		om the Division		
of their responsibility to notify all interest owner COMMENTS :	s or t	nis cna	inge on:		n/a			

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL GAS AND MINING

	5. LEASE DESIGNATION AND SERIAL NUMBER See attached				
SUNDR	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See attached				
- The first terms	new wells, significantly deepen existing wells below a laterals. Use APPLICATION FOR PERMIT TO DRILL	urrent bottom-hole depth, reenter plugged wells, or to form for such proposals.	7. UNIT or CA AGREEMENT NAME: See attached		
1 TYPE OF WELL OIL WELL	GAS WELL OTHER		8. WELL NAME and NUMBER: See attached		
2 NAME OF OPERATOR: Questar Exploration and	Production Company N5	085	9. API NUMBER: Attached		
3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 500	Denies	PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT: See attached		
LOCATION OF WELL FOOTAGES AT SURFACE: See a			COUNTY: Attached		
QTR/QTR, SECTION, TOWNSHIP, RAP	NGE, MERIDIAN:		STATE:		
11 CHECK APP	ROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPO	UTAH		
TYPE OF SUBMISSION	TO THE PORT OF THE	TYPE OF ACTION	RI, UR OTHER DATA		
Effective June 14, 2010 Q change involves only an ir employees will continue to continue to be covered by Federal Bond Number: 96 Utah State Bond Number: Fee Land Bond Number: 7994 The attached document is	nuestar Exploration and Production ternal corporate name change at the beautiful ternal corporate name change at the beautiful ternal corporate name change at the beautiful ternal corporate name change at the second substitution of the second substitution and the second substitution and the second substitution and the second substitution and Production and Pr	ind no third party change of operations the properties described on the a	QEP Energy Company. This name tor is involved. The same ttached list. All operations will		
NAME (PLEASE PRINT) Morgan An	ıderson	TITLE Regulatory Affairs	Analyst		
SIGNATURE MODALI	Anderon	DATE 6/23/2010			
This space for State use only)					

RECEIVED

JUN 2 8 2010

(See Instructions on Reverse Side)

APPROVED 61301 2009
Carlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700) BIG VALLEY effective June 14, 2010

well_name	sec	twp	rng	api	entity	mineral	type	stat	C
RWS 3ML-9-9-24	09	0905	240F	4304735483	15190	lease Federal	GW	S	
RWS 10ML-6-9-24	06			4304735653	17644	Federal	GW	P	
CWD 4ML-32-8-24	32			4304735684					_
NBZ 4D-30-8-24	30			4304737229	17644	Federal		S	
NBZ 6ML-30-8-24	30			4304737229	16630	Federal	GW	OPS	C
NBZ 8ML-30-8-24	30			4304737231	16810	Federal	GW	OPS	C
NBZ 10ML-30-8-24	30			4304737231	17644	Federal	GW	P	
NBZ 12D-30-8-24	30			4304737232	16695	Federal	GW	OPS	<u>C</u>
NBZ 14ML-30-8-24	30			4304737233	16631	Federal	GW	OPS	C
NBZ 6D-31-8-24	31				16696	Federal	GW	OPS	C
NBZ 4D-31-8-24				4304737235	16611	Federal	GW	OPS	C
NBZ 13ML-29-8-24	31			4304737236	16576	Federal	GW	OPS	C
NBZ 8D-31-8-24	29			4304737237	17644	Federal	GW	P	
NBZ 2ML-31-8-24	31			4304737238	17644	Federal	GW	P	
NBZ 11D-29-8-24	31			4304737239	17098	Federal	GW	OPS	C
NBZ 5D-29-8-24	29			4304737240	16612	Federal	GW	OPS	C
NBZ 9D-29-8-24	29			4304737241	16632	Federal	GW	OPS	C
The second secon	29			4304737244	15677	Federal	GW	OPS	C
NBZ 15ML-29-8-24 CWD 3D-32-8-24				4304737246	16697	Federal	GW	OPS	C
The state of the s				4304737274	16923	Federal	GW	OPS	C
CWD 14ML-32-8-24				4304737277	17644	Federal	GW	P	
CWD 16D-32-8-24				4304737278	17644	Federal	GW	P	
RWS 2ML-5-9-24				4304737306	17644	Federal	GW	P	
RWS 8D-5-9-24				4304737307	16614	Federal	GW	OPS	C
RWS 10ML-5-9-24				4304737308	17644	Federal	GW	S	
RWS 12ML-5-9-24				4304737309	17644	Federal	GW	P	
RWS 14D-5-9-24				4304737310	17644	Federal	GW	P	
RWS 16ML-5-9-24				4304737311	16698	Federal	GW	OPS	C
RWS 12ML-6-9-24				4304737312	17644	Federal	GW	P	
RWS 16ML-6-9-24				4304737335	17644	Federal	GW	P	
CWD 10D-32-8-24				4304737347	17644	Federal	GW	P	
RWS 6D-5-9-24				4304737350	17644	Federal	GW	P	
RWS 4ML-5-9-24				4304737351	17644	Federal	GW	P	
RWS 8D-6-9-24				4304737352	17644	Federal	GW	P	
RWS 2D-6-9-24				4304737411	17272	Federal	GW	OPS	C
RWS 4ML-6-9-24				4304737412	17644	Federal	GW	S	
RWS 6D-6-9-24				4304737413	17644	Federal	GW	P	
RWS 14D-6-9-24	06	090S	240E	4304737414	17644	Federal	GW	P	
RWS 5ML-9-9-24	09	090S	240E	4304738645	17273	Federal	GW	OPS	С
RWS 12ML-9-9-24	09	090S	240E	4304738646	17274			OPS	C
NBZ 16D-31-8-24				4304739435			GW	APD	C
NBZ 10D-31-8-24				4304739456			GW	APD	C
NBZ 12D-31-8-24	31	080S	240E	4304739457				APD	C
NBZ 14D-31-8-24	31	080S	240E	4304739458				APD	C
CWD 13D-32-8-24	32	080S	240E 4	4304739464				APD	C
RWS 7D-6-9-24	06	090S	240E	4304739494				APD	C
RWS 13D-6-9-24				4304739495				APD	C
RWS 11D-6-9-24				4304739496				APD	C
RWS 9D-6-9-24				4304739497				APD	C
RWS 3D-6-9-24				4304739498				APD	C
RWS 15D-6-9-24				4304739500	 			APD	C

Bonds: BLM = ESB000024 BIA = 956010693 State = 965010695

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700) BIG VALLEY effective June 14, 2010

well_name	sec	twp	rng	api	entity	mineral	type	stat	C
DWG 5D 60 04						lease			
RWS 5D-6-9-24	06			4304739501		Federal	GW	APD	C
RWS 7D-5-9-24	05			4304739502		Federal	GW	APD	C
RWS 11D-5-9-24	05			4304739503		Federal	GW	APD	С
RWS 9D-5-9-24	05			4304739504		Federal	GW	APD	C
RWS 13D-5-9-24	05			4304739505		Federal	GW	APD	С
RWS 15D-5-9-24	05			4304739506		Federal	GW	APD	C
RWS 3D-5-9-24	05			4304739507		Federal	GW	APD	C
RWS 1D-5-9-24	05			4304739508		Federal	GW	APD	С
NBZ 5D-31-8-24	31	080S	240E	4304739511		Federal	GW	APD	C
CWD 11D-32-8-24	32	080S	240E	4304739535		Federal	GW	APD	C
CWD 15D-32-8-24	32	080S	240E	4304739536		Federal	GW	APD	C
RWS 5D-5-9-24	05	090S	240E	4304739673		Federal	GW	APD	C
RWS 1D-6-9-24	06	090S	240E	4304739674		Federal	GW	APD	C
NBZ 3D-31-8-24	31	080S	240E	4304739675	*****	Federal	GW	APD	C
NBZ 16D-30-8-24	30	080S	240E	4304740355		Federal	GW	APD	C
NBZ 15D-30-8-24	30	080S	240E	4304740356		Federal	GW	APD	C
CWD 6D-32-8-24	32	080S	240E	4304740357			GW	APD	C
CWD 2D-32-8-24	32	080S	240E	4304740358			GW	APD	C
CWD 5D-32-8-24	32			4304740359		Federal	GW	APD	C
NBZ 10D-29-8-24	29			4304740360		Federal	GW	APD	C
NBZ 8D-29-8-24	29			4304740361		Federal	GW	APD	C
NBZ 14D-29-8-24				4304740362		Federal	GW	APD	C
NBZ 16D-29-8-24				4304740363		Federal	GW	APD	C
NBZ 12D-29-8-24				4304740364		Federal	GW	APD	C
NBZ 13D-30-8-24				4304740365		Federal	GW	APD	C
RWS 4D-9-9-24				4304740470		Federal	GW	APD	C
NBZ 9D-30-8-24				4304740471		Federal	GW	APD	C
NBZ 11D-30-8-24				4304740472		Federal	GW	APD	C
NBZ 7D-30-8-24				4304740473		Federal		APD	C
NBZ 2D-29-8-24				4304740476		Federal	GW	APD	C
CWD 7D-32-8-24				4304740477		Federal	GW	APD	C
CWD 9D-32-8-24				4304740478		Federal	GW	APD	C
RWS 6D-9-9-24				4304740479		Federal		APD	C
RWS 13D-9-9-24				4304740480		Federal	GW	APD	C
NBZ 6D-29-8-24				4304740483		Federal		APD APD	C
NBZ 1D-30-8-24				4304740484				APD APD	C
NBZ 2D-30-8-24				4304740485		Federal		APD APD	C
NBZ 3D-30-8-24				4304740486				APD APD	C

Bonds: BLM = ESB000024 BIA = 956010693 State = 965010695



United States Department of the Interior



BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, UT 84145-0155 http://www.blm.gov/ut/st/en.html

IN REPLY REFER TO: 3100 (UT-922)

JUL 2 8 2010

Memorandum

To:

Vernal Field Office, Price Field Office, Moab Field Office Roja L Bankert

From:

Chief, Branch of Minerals

Subject:

Name Change Recognized

Attached is a copy of the Certificate of Name Change issued by the Texas Secretary of State and a decision letter recognizing the name change from the Eastern States Office. We have updated our records to reflect the name change in the attached list of leases.

The name change from Questar Exploration and Production Company into QEP Energy Company is effective June 8, 2010.

cc:

MMS UDOGM

AUG 16 20:0

DIV. OF OIL, GAS a mine

	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES		FORM 9
	G	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-77301	
SUNDF	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
	sals to drill new wells, significantly deepen exisugged wells, or to drill horizontal laterals. Use A		7.UNIT or CA AGREEMENT NAME: BIG VALLEY
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBZ 11D-30-8-24
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047404720000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ver	PHONE N 303 308-3068		9. FIELD and POOL or WILDCAT: BIG VALLEY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 1920 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NESW Section: 30	IP, RANGE, MERIDIAN: Township: 08.0S Range: 24.0E Meridian: S		STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICATE N	ATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
QEP ENERGY COMPAI	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF	AR EXTENSION FOR THE	
NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent	
SIGNATURE		DATE 12/28/2010	



Sig

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404720000

API: 43047404720000 **Well Name:** NBZ 11D-30-8-24

Location: 2180 FSL 1920 FWL QTR NESW SEC 30 TWNP 080S RNG 240E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 12/30/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

uire revis	sion. Following is a check	list of some items related to t	he applićation, w	hich should be verified.
	ited on private land, has ed? Yes No	the ownership changed, if so,	has the surface a	greement been
	any wells been drilled in requirements for this loc	the vicinity of the proposed wa ation? 🔵 Yes 📵 No	ell which would a	ffect the spacing or
	ere been any unit or other proposed well?	er agreements put in place tha	nt could affect the	e permitting or operation
	there been any changes t the proposed location?	o the access route including o Yes No	wnership, or righ	tof- way, which could
• Has th	ne approved source of wa	ter for drilling changed? 🔘	Yes 📵 No	
		changes to the surface location discussed at the onsite evalu		
• Is bor	nding still in place, which	covers this proposed well?	🕽 Yes 🔙 No 🕻	pproved by the Itah Division of , Gas and Mining
nature:	Jan Nelson Dat	te: 12/28/2010		12/30/2010
Title:	Permit Agent Representin	g: QEP ENERGY COMPANY	Date:_	12/30/2010
			Bv: b	00xy/11

177

Sundry Number: 21551 API Well Number: 43047404720000

	STATE OF UTAH		FORM 9
	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MI		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-77301
SUNDF	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7.UNIT or CA AGREEMENT NAME: BIG VALLEY
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBZ 11D-30-8-24		
2. NAME OF OPERATOR: QEP ENERGY COMPANY	9. API NUMBER: 43047404720000		
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ver		ONE NUMBER: 3068 Ext	9. FIELD and POOL or WILDCAT: BIG VALLEY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 1920 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI	P, RANGE, MERIDIAN: Township: 08.0S Range: 24.0E Meridian:	S	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPORT	, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
QEP ENERGY COMPAN	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION MPLETED OPERATIONS. Clearly show all per	YEAR EXTENSION FOR TIED WELL.	NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: Volumes, etc.
NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBER 435 781-4369	TITLE Regulatory Affairs Analyst	
SIGNATURE N/A	477 /01-4303	DATE 12/28/2011	

Sundry Number: 21551 API Well Number: 43047404720000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404720000

API: 43047404720000 **Well Name:** NBZ 11D-30-8-24

Location: 2180 FSL 1920 FWL QTR NESW SEC 30 TWNP 080S RNG 240E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 12/30/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

 If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? 🔵 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No

Signature: Valyn Davis **Date:** 12/28/2011

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY

Form 3160-5 (August 2007)

UNITED STATES

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FORM APPROVED

	EPARTMENT OF THE II BUREAU OF LAND MANA			IAAI a	1 0040	Expires	:: July 31, 2010
			LLS			e Serial No. J77301	
Do not use th abandoned we	NOTICES AND REPORE is form for proposals to all. Use form 3160-3 (APL)	arill or to re- D) for such p	enter ropos	an als.[]	6. If In	dian, Allottee	or Tribe Name
SUBMIT IN TRI	IPLICATE - Other instruc	tions on reve	erse s	ide.		nit or CA/Agr J81308C	eement, Name and/or No.
1. Type of Well ☐ Oil Well ☐ Gas Well ☐ Oth	her					Name and No. 11D-30-8-2	
2. Name of Operator QEP ENERGY COMPANY		VALYN DAVI s@qepres.com				Well No. 047-40472-	00-X1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. Ph: 435-78 Fx: 435-781	1-4369	e area code)	10. Fie UNI	d and Pool, o DESIGNAT	r Exploratory ED
4. Location of Well (Footage, Sec., T	T., R., M., or Survey Description)			11. Co	inty or Parish	, and State
Sec 30 T8S R24E NESW 218	30FSL 1920FWL				UIN	TAH COUN	NTY, UT
12. CHECK APPI	ROPRIATE BOX(ES) TO) INDICATE	NATU	JRE OF N	IOTICE, REPORT,	OR OTHE	ER DATA
TYPE OF SUBMISSION		···		TYPE OF	ACTION		
Notice of Intent	□ Acidize	□ Deep	en		☐ Production (Star	t/Resume)	☐ Water Shut-Off
_	☐ Alter Casing	□ Fract	ure Tre	eat	☐ Reclamation		☐ Well Integrity
☐ Subsequent Report	Casing Repair	□ New			☐ Recomplete		Other
☐ Final Abandonment Notice	☐ Change Plans	□ Plug	and Al	oandon	☐ Temporarily Aba	ındon	Change to Original PD
	Convert to Injection	□ Plug	Back		☐ Water Disposal		
Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for final QEP ENERGY COMPANY HE	operations. If the operation residual operation of the op	ults in a multiple ed only after all re	comple equirem	etion or reco ents, includ	mpletion in a new interving reclamation, have be	al, a Form 31 en completed	60-4 shall be filed once, and the operator has
•		O ILINEXI	L1101		ONG CAMPAGNA AND AND AND AND AND AND AND AND AND A	~	TOTALD WELL.
BLM APPROVAL DATE: 1/11/	/2010			ĝ.	L FIELD OFFICE	Distribution of the Control of the C	
				ENG.	RLA 1/30/12	reference of the second	
				GEOL.		RF	CEIVED
			E.S		edito.		
CONDITIONS OF APPI	ROVAL ATTACHED				f Ft	B 1 5 2012	
				PET		חווי חב	OIL, GAS & MINING
				RECL		DIV. OF	OIL, GAS & MINANG
14. I hereby certify that the foregoing is	Electronic Submission #1	27822 verified	by the	BLM Well	Information System		
Comm	nitted to AFMSS for proces	ERGY COMPA sing by ROBIN	N R. HA	NSEN on	01/27/2012 (12RRH14	180SE)	
Name (Printed/Typed) VALYN DA	AVIS		Title	REGULA	ATORY AFFAIRS A	NALYST	
Signature (Electronic S	Submission)		Date	01/11/20	112		
	THIS SPACE FO	R FEDERAL	OR	STATE C	FFICE USE		
Approved By	,		Title		ant Field Manager Mineral Resources		FEB 8.3 2012
onditions of approval, if any, are attached rifty that the opportant holds legal or equipped the applicant to conduct the applicant the	d. Approval of this notice does in the last operations thereon	not warrant or subject lease	Office	1	ERNAL FIELD	OFFICE	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL

QEP ENERGY COMPANY

Notice of Intent APD Extension

Lease:

UTU-77301

Well:

NBZ 11D-30-8-24

Location:

NESW Sec 30-T8S-R24E

An extension for the referenced APD is granted as requested with the following conditions:

- 1. The extension and APD shall expire on 01/11/2014.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777

Sundry Number: 33270 API Well Number: 43047404720000

	STATE OF UTAH		FORM 9
	DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MININ		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-77301
SUNDR	RY NOTICES AND REPORTS ON	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	oposals to drill new wells, significantly dee reenter plugged wells, or to drill horizonta n for such proposals.		7.UNIT or CA AGREEMENT NAME: BIG VALLEY
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBZ 11D-30-8-24
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047404720000
3. ADDRESS OF OPERATOR: 11002 East 17500 South,	PH Vernal, Ut, 84078 303 30	9. FIELD and POOL or WILDCAT: BIG VALLEY	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 1920 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSH	HIP, RANGE, MERIDIAN: 30 Township: 08.0S Range: 24.0E Meridian	n: S	STATE: UTAH
11. CHEC	K APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
QEP ENERGY COMPA	COMPLETED OPERATIONS. Clearly show all EADY HEREBY REQUESTS A ONE APD ON THE ABOVE CAPTIONED	YEAR EXTENSION FOR	CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: Depths, volumes, etc. Approved by the Utah Division of Oil, Gas and Mining Date: December 27, 2012 By:
NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBER 435 781-4369	TITLE Regulatory Affairs Analyst	
SIGNATURE N/A		DATE 12/26/2012	

Sundry Number: 33270 API Well Number: 43047404720000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404720000

API: 43047404720000 Well Name: NBZ 11D-30-8-24

Location: 2180 FSL 1920 FWL QTR NESW SEC 30 TWNP 080S RNG 240E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 12/30/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No	
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No 	
• Has there been any unit or other agreements put in place that could affect the permitting or operation of thi proposed well? Yes No	is
• Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? (Yes (No	ıe
• Has the approved source of water for drilling changed? 🔘 Yes 🍺 No	
• Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? (Yes (No	
• Is bonding still in place, which covers this proposed well? Yes No	
nature: Valyn Davis Date: 12/26/2012	

Sig

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY

Sundry Number: 46265 API Well Number: 43047404720000

	STATE OF UTAH		FORM 9
	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MINI		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-77301
SUNDR	RY NOTICES AND REPORTS O	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	oposals to drill new wells, significantly d reenter plugged wells, or to drill horizon n for such proposals.		7.UNIT or CA AGREEMENT NAME: BIG VALLEY
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBZ 11D-30-8-24
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047404720000
3. ADDRESS OF OPERATOR: 11002 East 17500 South,		PHONE NUMBER: 308-3068 Ext	9. FIELD and POOL or WILDCAT: BIG VALLEY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 1920 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSH	HIP, RANGE, MERIDIAN: 30 Township: 08.0S Range: 24.0E Meridi	an: S	STATE: UTAH
11. CHEC	K APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
QEP ENERGY COMPA	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION COMPLETED OPERATIONS. Clearly show all ANY HEREBY REQUESTS A ONE APD ON THE ABOVE CAPTIONE	E YEAR EXTENSION FOR	CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: Depths, volumes, etc. Approved by the Utah Division of Oil, Gas and Mining Date: January 08, 2014 By:
NAME (PLEASE PRINT)	PHONE NUMBE	ER TITLE	
Valyn Davis	435 781-4369	Regulatory Affairs Analyst	
SIGNATURE N/A		DATE 12/30/2013	

Sundry Number: 46265 API Well Number: 43047404720000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404720000

API: 43047404720000 Well Name: NBZ 11D-30-8-24

Location: 2180 FSL 1920 FWL QTR NESW SEC 30 TWNP 080S RNG 240E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 12/30/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Q Yes No
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
• Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? (Yes (No
• Has the approved source of water for drilling changed? 🔘 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? 🌘 Yes 🔘 No
nature: Valyn Davis Date: 12/30/2013

Sig

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

December 18, 2014

43 047 40472 NBZ 11D-30-8-24 30 85 Z4E

Valyn Davis **QEP Energy Company** 11002 E 17500 S Vernal, UT 84087

APDs Rescinded for OEP Energy Company, Uintah and Duchesne County Re:

Dear Ms. Davis:

Enclosed find the list of APDs that you asked to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Environmental Scientist

Well File cc:

Bureau of Land Management, Vernal



Form 3160-3 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE*

FORM APPROVED OMB NO. 1040-0137 Expires: July 31, 2010

0

BUREAU OF LAND MANAG	UTU-77301				
		6. If Indian, Allotee or Tribe Name			
APPLICATION FOR PERMI	N/A				
1a. TYPE OF WORK			7. IF Unit or CA Agreeme	nt, Name and No.	
☑ DRILL	· jū	REENTER	U81308X BIG VALI	LEY UNIT	
1b. TYPE OF WELL	BUr	REAU OF LAND MONT	8. Lease Name and Well	No.	
□ ☑ □ SINGLE	□ MULTIPLE				
OIL WELL GAS WELL OTHER ZONE	ZONE		NBZ 11D	-30-8-24	
2. Name of Operator	Contact: Jan Nels	son	9.API Well No.		
QUESTAR EXPLORATION & PRODUCTION CO.	E-Mail:	an.nelson@questar.com	43-047-40472	<u> </u>	
	3b. Phone No. (ir	•	10. Field and Pool, or Exp	•	
11002 East 17500 South Vernal, Ut 84078	Phone 435-78		UNDESIG		
4. Location of Well (Report location clearly and in acc	cordance with and	State requirements*)	11. Sec., T.R.M. or Blk. An	d Survey or Area	
At Surface 2180' FSL 1920' FWL,	NESW, Sectio	on 30, T8S, R24E	SEC. 30, T8S,	R24E SLB&M	
At proposed production zone					
14. Distance in miles and direction from nearest town of	orr post office*		12. County or Parish	13. State	
35 + / - SOUTH OF VERNAL, UTAH			Uintah	UT	
15. Distance from proposed* location to nearest	4.11	16. No. of acres in lease	17. Spacing Unit dedicate	d to this well	
property or lease line, ft. (also to nearest drig, unit	ine it any)	4505.40	40		
1920' +/-		1505.46			
18. Distance from proposed location to nearest well,	drilling	19. Pprposed Depth	20. BLM/BIA Bond No. on	file	
completed, applied for, on this lease, ft	urming,		ESB000024		
2,450' +/-		13,617'			
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approx. date work will start*	23. Estimated duration			
5077.4' GR	ASAP	35 days			
24. Attachments					
The following, completed in accordance with the require	ments of Onshore	Oil and Gas Order No. 1, shall be	attached to this form:		
Well plat certified by a registered surveyor.		4. Bond to cover the operations unless	covered by an exisiting bond on	file	
2. A Drilling Plan		(See Item 20 above).			
3. A surface Use Plan (if location is on National Forest System !	Lands.	5. Operator certification.			
the SUPO shall be filed with the appropriate Forest Service Of	-	•		his the DIM	
	,	6. Such other site specific information a	no/or plans as may be required	ру те вым	
Signature Am Welson	Name (printed/typ	ad) Ion Nober	DATE	40/00/2000	
Signature Story	Name (printed/typ	ed) Jan Nelson	DATE	12/29/2008	
TITLE Regulatory Affairs					
0 10	1	Assistant Field Manager			
APPROVED BY Stochasin of House	TITLE <u>(Active</u>	Lands & Mineral Resources	DATE	1/11/10	
' Ul	0	VEDNAL EIELD OL	EFICE	, / /	
Application approval does not warrant or certify	y the applicant l	holds any legal or equitatively.	in thiose ights in the	subject	
lease which would entitle the applicant to cond	uct operations		<i></i>		
And distance of an arrange of the		Λ	-MSS#_ <i>07E</i>	72645A	
Conditions of approval, if any, are attacked	IONS OF APP	BUNYI VILYOHED 💛		Andrew Control of the	

Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction.

RECEIVED NOTICE OF APPROVAL
JAN 2 5 2010

CONFIDENTIAL





UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE**

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Well No:

API No:

Questar Exploration & Production. Co Location:

NBZ 11D-30-8-24

170 South 500 East

43-047-40472

Lease No: **Agreement:** NESW, Sec. 30, T8S, R24E

UTU-77301

Big Valley Unit

OFFICE NUMBER:

(435) 781-4400

OFFICE FAX NUMBER:

(435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut vn opreport@blm.gov.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.



Page 2 of 6 Well: NBZ 11D-30-8-24 12/17/2009

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop
 work and contact the Authorized Officer (AO). A determination will be made by the AO as to what
 mitigation may be necessary for the discovered paleontologic material before construction can
 continue.
- During operations, if any vertebrate paleontological resources are discovered, all operations
 affecting such sites shall be immediately suspended, and all discoveries shall be left intact until
 authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal
 BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred
 alternative/course of action will be rendered.
- A Paleontologist acceptable to the BLM will monitor construction activity for surface disturbing
 activities described in the APD. If paleontologic resources are uncovered during construction
 activities, the operator shall immediately suspend all operations that will further disturb such
 resources, and immediately notify the Authorized Officer (AO). The AO will arrange for a
 determination of significance and, if necessary, recommend a recovery or avoidance plan.

Page 3 of 6 Well: NBZ 11D-30-8-24 12/17/2009

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

Site Specific Drilling Plan COAs'

- A formation integrity test shall be performed at the surface and intermediate casing shoes.
- Run Gamma Ray log to surface.

Variances Granted:

Air Drilling:

- Properly lubricated and maintained rotating head, variance granted to use a properly maintained and lubricated diverter head in place of a rotating head.
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 50'-70' from the well bore.
- Automatic igniter. Variance granted for igniter due to water mist.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for air compressors to be located within 50 feet from the well bore and opposite from the blooie line.
- In lieu of mud products on location, Questar will have a 400 bbl. water tank containing water for kill fluid.
- Questar is granted permission to mount a deflector at the end of the blooie line.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

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- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is
 encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal
 Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

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OPERATING REQUIREMENT REMINDERS:

 All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written communication
 and must be received in this office by not later than the fifth business day following the date on
 which the well is placed on production. The notification shall provide, as a minimum, the following
 informational items:
 - o Operator name, address, and telephone number.
 - Well name and number.
 - o Well location (1/4/4, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1.
 Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4.

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Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to
 the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first.
 All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All
 product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in
 accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
 lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a
 suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be
 obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval
 of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.